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25 MAY 1984

MEMORANDUM FOR: Director of Central Intelligence

FROM: Clair E. George
Director, Office of Legislative Liaison

SUBJECT: Personnel Issues Related to the Erosion of
Benefits for the Federal Service

REFERENCE: Memorandum for the DCI from the Director,
National Security Agency, same subject,
dated 9 April 1984

1. I have given some thought to the issues raised in General Faurer's letter about the erosion of personnel benefits for federal employees. His points are unassailable. The amendments to the Social Security Act last year bringing new federal employees into the Social Security system, the ongoing Administration initiatives to reduce federal retirement and medical insurance costs, and the continuing employer/employee contention over pay have all been negative signals received by federal employees.

2. Employees in the Intelligence Community, and in the CIA specifically, are not being singled out, but the effect on them is exactly as General Faurer has stated. The only way, it seems to me, that you can shield our employees from the effects of these government-wide initiatives is to intercede, first with the President and ultimately with the Congress. While such an attempt would be admirable, I don't think we can build a persuasive enough case to exempt the Intelligence Community, let alone the entire Agency, from these budget-driven initiatives.

3. There is one issue where the CIA has, in my judgment, sufficient equity to warrant your direct involvement with the President, and that is reconstituting the CIA Retirement and Disability System (CIARDS) in a supplemental retirement context. In my judgment, the Agency has to be very selective in the issues it asks you to carry to the President. CIARDS is such an issue. Because I don't think we can win on the more general "erosion of benefits" issue, I don't think we should try. Rather, I think you should go ahead with your small Intelligence Community task force idea for now, and see what recommendations come from that group.

/s/ Clair E. George

Clair E. George

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